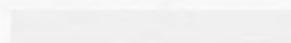


# Ministry of the Economy



## Annual Report for 2013-14



## Table of Contents

Letters of Transmittal .....	1
Introduction .....	4
Alignment with Government's Direction.....	4
Ministry Overview .....	5
Progress in 2013-14 .....	6
2013-14 Financial Overview .....	24
For More Information .....	28
Appendices .....	29
Enterprise Saskatchewan Financial Statements.....	35

## Letters of Transmittal



Her Honour, the Honourable Vaughn Solomon Schofield,  
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2014.

A handwritten signature in cursive script, appearing to read "Bill Boyd".

The Honourable Bill Boyd  
Minister of the Economy  
Minister Responsible for Energy and Resources



Her Honour, the Honourable Vaughn Solomon Schofield,  
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2014.

A handwritten signature in cursive script, appearing to read "Jeremy H.". There is a small mark at the end of the signature.

The Honourable Jeremy Harrison  
Associate Minister of the Economy



## Letters of Transmittal



The Honourable Bill Boyd  
Minister of the Economy  
Minister Responsible for Energy and Resources

The Honourable Jeremy Harrison  
Associate Minister of the Economy

I have the honour of submitting the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2014.

A handwritten signature in ink, appearing to read 'Kent Campbell'.

Kent Campbell  
Deputy Minister of the Economy

## Introduction

This annual report for the Ministry of the Economy (ECON) presents ECON's results on activities and outcomes for the fiscal year ending March 31, 2014. It reports to the public and elected officials on public commitments made and other key accomplishments of the ministry.

Although a renewed vision in the Saskatchewan Plan for Growth – Vision 2020 and Beyond was introduced in October 2012, the 2013-14 Annual Report will be presented in relation to the vision and goals that guided the development of the 2013-14 Plan.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2013-14 Plan.

The report also demonstrates progress made on government commitments as stated in the *Government Direction for 2013-14: Balanced Growth*, the Minister's Mandate letter, throne speeches and other commitments and activities of the ministry.

The annual report demonstrates ECON's commitment to effective public performance reporting, transparency and accountability to the public.

## Alignment with Government's Direction

ECON's activities in 2013-14 align with government's vision and four goals:

### Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada to live, to work, to start a business, to get an education, to raise a family and to build a life.

### Government's Goals

- Sustaining growth and opportunities for Saskatchewan people;
- Improving our quality of life;
- Making life affordable; and
- Delivering responsive and responsible government.

Together, all ministries, agencies and Crown Corporations support the achievement of government's four goals and work towards a secure and prosperous Saskatchewan.

## Ministry Overview

The Ministry of the Economy (ECON) was formed in 2012 to advance economic growth and to generate wealth and opportunity in the province. ECON's responsibilities include labour market development and immigration, energy and resources and economic development, including First Nations, Métis and Northern economic development.

ECON will lead and co-ordinate growth in Saskatchewan, working with other ministries, stakeholders and the general public to keep moving Saskatchewan forward. Central to ECON's mandate will be delivering on the goals and objectives of the Saskatchewan Plan for Growth, while focusing on business and industry development and creating a better quality of life for the people of Saskatchewan.

Please note, while a Cabinet re-organization occurred shortly after the close of the 2013-14 fiscal year, the reporting metrics throughout the annual report reflect the activities of the ministry in the 2013-14 fiscal year. Changes will be noted throughout the report to reflect known future adjustments.

## Primary Lines of Business

ECON comprises four primary lines of business: petroleum and natural gas; minerals, lands and resource policy; economic development; and labour market development. Through this new organization, the Government of Saskatchewan can achieve better alignment and co-ordination between:

- The government's economic development policies and programs for the whole province;
- Resource sector development, which is driving much of the province's growth; and
- Labour market development, which is critical for ensuring that growth opportunities are realized.

ECON maintains relationships with a number of agencies important to the growth agenda, such as Innovation Saskatchewan, Tourism Saskatchewan, the Saskatchewan Trade and Export Partnership (STEP), the Saskatchewan Research Council, the Saskatchewan Apprenticeship and Trade Commission, and the Global Transportation Hub.

ECON employees provide services and programs through its main offices in Regina, Saskatoon, regional offices across the province, and the Canada-Saskatchewan Business Service Centre.

As of March 31, 2014, the Canada-Saskatchewan Business Service Centre was disbanded. Square One was established by the Saskatoon Regional Economic Development Authority Inc. (SREDA) with funding from Western Economic Diversification Canada to provide services previously delivered by the centre.



## Progress in 2013–14

### Government Goal: Growth

#### Strategy—INCREASE INVESTMENT AND INTERNATIONAL ENGAGEMENT IN SASKATCHEWAN

##### *Key Actions & Results*

In conjunction with the Saskatchewan Trade and Export Partnership (STEP), target global resource industry investors in key markets to attract investment in agriculture value-added, mining, and oil and gas by: leading/ supporting sector development and investment attraction missions; facilitating business-to-business discussions on Saskatchewan opportunities; and hosting foreign delegate in-house information sessions.

- Provided timely market intelligence to Saskatchewan companies to support their efforts in key current and new markets.
- Completed ongoing trade and investment attraction missions into new international markets including China, India, Japan, Korea, Brazil, Turkey and Indonesia.
- Cultured strategic relationships with government ministries and agencies with economic policy and decision-making responsibilities in key international markets.
- Provided advice and industry knowledge for key trading markets and specific industry opportunities.
- Completed 30 investment attraction missions to countries including the United States, Europe, Japan, India, China and in Canada.

Identify supply chain linkages to Saskatchewan businesses, manufacturers and processors.

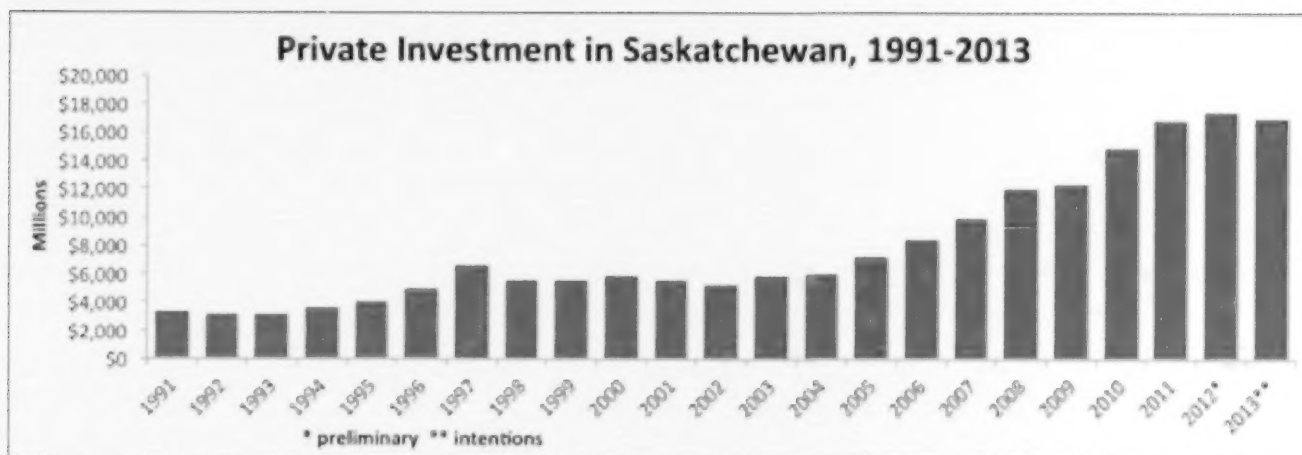
- Continued to develop Saskatchewan's supply chain linkages between mining, oil and gas companies and local suppliers.
- Implemented the Northern Mineral Supply Chain Strategy to support the competitiveness of Saskatchewan's mining and forestry resources sectors.
- Hosted 60 incoming company and investment attraction missions to Saskatchewan to link opportunities with potential investors.

Increase competitive intelligence for targeted investment initiatives.

- Promoted Saskatchewan's export sector through communication mediums such as the STEP website, the Global Ventures publication and other marketing materials.
- Participated in speaking engagements within the province on Saskatchewan's export strengths.
- Implemented the "Carry out Exporter Readiness Program" to build exporter capacity in Saskatchewan.

## Performance Measure & Results

### Private Investment



Source: Statistics Investment data from 1991 to 2013 from Statistics Canada, CANSIM Table 029-005

This table captures private investment in non-residential construction, as well as investments in leasing, purchasing and installing machinery and equipment. Capital investment plans not only indicate management views of future prospects for their industry, but also reflect, to a certain degree, the level of satisfaction with the provincial business environment.

Private capital investment in Saskatchewan has grown strongly in recent years; only Newfoundland and Labrador and Alberta had higher growth rates than Saskatchewan. In all three provinces, mining and oil and gas are the driving forces behind private capital investment growth rates.

Commodity prices also play a large role in growth rates and are a significant risk factor in whether or not Saskatchewan can achieve its investment targets. Saskatchewan will be challenged to maintain the current level of investment once the announced mines and mine expansions are completed over the next three to four years. This measure is associated with several of ECON's key actions and most directly supports the Saskatchewan Plan for Growth objective to "actively encourage private investments from within Saskatchewan and beyond the province to ensure our natural resource advantages are developed for the long-term growth of the economy."

ECON met and surpassed its goal of 8-12 investment attraction "wins," with a total of 16 projects representing approximately \$98 million in investment.

There are several ways to measure the investment climate in the province, including the Canadian Provincial Investment Climate Index, which was produced annually by the Fraser Institute from 2006 to 2010. The ranking scheme is based on provinces' alignment with policies identified by an Investment Managers Survey as being conducive to growth.

Between 2006 and 2010, Saskatchewan improved from fifth place, with an index score of 4.8 out of 10, to second place, with an index score of 6.4. Since the study has not been updated since 2010, it will no longer be tracked as one of ECON's performance measures.

Another important indicator of the provincial investment climate is the Labour-Sponsored Venture Capital Corporation Program, which had a successful year, raising \$79.5 million and investing \$47.1 million in the province in 2013-14.

## Strategy—CREATE A SUSTAINABLE COMPETITIVE BUSINESS ENVIRONMENT

### Key Actions & Results

Modernize business systems that affect the oil and gas industry to take advantage of new technologies.

- Continued to implement the Process Renewal and Infrastructure Management Enhancement (PRIME) project, including full industry consultation.
- Utilized the Revenue Management and Billing Project (RMBP) to deliver invoices electronically as of April 2013, reducing the time period between industry reporting and ECON invoicing from 90 days to 40 days.

Support enterprise Geographic Information System (GIS) project for spatial information management.

- Awarded the project contract and initiated Phase 1 of the project.
- Completed setup of a new hardware infrastructure and started software licensing and data loading.
- Continued to convert data and the web map interface to the new enterprise GIS system.

Continue a progressive and attractive framework for mineral and petroleum and natural gas rights management.

- Continued work on the Petroleum Tenure PRIME project, which will provide for industry self-service and a stable, reliable Integrated Risk Information System for the petroleum and natural gas, helium and associated gases, and spaces electronic registries.
- Held spring and fall meetings with the Saskatchewan-Industry Petroleum Tenure Advisory Committee (SK-IPTAC) to discuss oil and gas tenure challenges. Committee members include representatives from the Canadian Association of Petroleum Producers (CAPP), the Explorers and Producers Association of Canada (EPAC), Canadian Association of Petroleum Landmen (CAPL), Canadian Association of Petroleum Land Administration (CAPLA) and Saskatchewan Headquartered Oil Producers (SHOP).
- Issues that were discussed at the SK-IPTAC meetings included: competing resources, Crown Acquired Rights, the Auditor's report on environmental risk and well clean-up. A successful mini-lean event on addendum agreements was also held. The mini-lean event provided clarity in regards to the struggles that industry is experiencing with revenue-sharing negotiations with freehold mineral owners, and addressed the concerns

of industry in creating a new drainage unit assignment process for horizontal wells with the petroleum tenure and engineering services branches. The success of this pilot industry-ministry mini-lean event will encourage similar events at future SK-IPTAC meetings.

Study potential royalty structures for emerging commodities.

- In response to renewed interest in helium production in the province, *The Helium and Associated Gases Regulations* are being reviewed, with plans to update and modernize the regulations and ensure the proper royalty structure is in place to facilitate production and processing of helium in the province.

Ensure forest industry development and regulations foster a business climate for a globally competitive forestry sector.

- Compared Saskatchewan's existing stumpage regime with regimes in other provinces.
- Benchmarked production costs to ensure royalties are fair and optimized.
- Introduced a new stumpage regime, based on the regimes of other provinces, input from industry and consultation with various government ministries.
- Amendments to *The Forest Resources Management Regulations* are expected to be submitted to Cabinet by May 2014, with proposed implementation July 1, 2014.

Ensure effective, relevant and efficient regulations across government by implementing red tape reduction measures.

- Introduced Red Tape Reduction Legislation, which was passed in the fall of 2013. The new regulations require annual reporting of reviewed regulations and progress towards reducing the burden and cost of regulation.
- Passed *The Regulatory Modernization and Accountability Regulations* in January 2014.
- Identified all regulations that impact business, and scheduled their review within the specified 10-year timeframe. Nineteen sets of business-related regulations were reviewed by March 31, 2014.

Benchmark the competitiveness of Saskatchewan's business and policy environment.

- Reviewed tax rates across Canada three times during the year in order to monitor the competitiveness of Saskatchewan's taxes. These reviews were supplemented by more targeted tax and incentive comparisons related to specific investment projects.

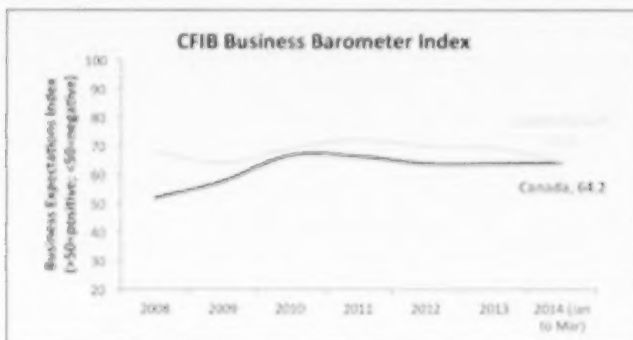
- Benchmarked Saskatchewan's policies related to land access rights and landowner compensation rates with similar policies in the other western provinces, as part of *The Surface Rights Acquisition and Compensation Act* review.

Assist business retention and expansion opportunities within the targeted sectors by co-ordinating government actions.

- Held regular consultations with key industries and business groups. Problem areas were addressed through inter-ministry working groups in conjunction with Crown corporations and businesses. Some accomplishments include:
  - Consultation with the Ministry of Highways and Infrastructure and SaskPower to establish a high clearance corridor;
  - Consultation with the manufacturing and transportation sectors to evaluate new transportation routes to help manufacturers find new market opportunities; and
  - The Corporate Procurement Committee, which has representation from the majority of the Crowns, Ministry of Central Services, the Ministry of Highways and Infrastructure and the CIC procurement office, assists Saskatchewan companies in growing and finding new market opportunities in government/ Crown procurement.
- The Western Economic Partnership Agreement paid an additional \$4.96 million in 2013-14. This resulted in a final expenditure of just under \$25 million over the five-year program. The Ethanol Fuel Grant Program paid \$16.5 million to six fuel distributors on a total ethanol production of 282 million litres in 2013-14. Regulation amendments were completed.
- The Renewable Diesel Program paid \$825,707 to one producer on total production of 6.35 million litres.
- The Northern Development Grant Program approved grants of \$160,337 but only disbursed \$121,711 to 28 eligible projects. These grants assisted economic and business development in the Northern Administration District.

## Performance Measure & Results

### CFIB Business Barometer Index



Source: Canadian Federation of Independent Business

The Canadian Federation of Independent Business (CFIB) Business Barometer Index measures business confidence by polling its members on whether they feel optimistic or pessimistic about the upcoming quarter, compared to the previous quarter. A score of 50 represents a neutral outlook. This metric is an indication of Saskatchewan's success in The Saskatchewan Plan for Growth objective to ensure Saskatchewan's economy will remain among the most competitive in Canada.

Over the last six years, CFIB's Business Barometer has consistently ranked Saskatchewan above the Canadian average. Even during the worst years of the recent recession, business expectations in Saskatchewan were markedly better than in many other provinces, as reflected in the gap between Saskatchewan and the Canadian average. The resource-based economies of Western Canada, Newfoundland and Labrador, tend to be leaders in this measure. Commodity prices exert a strong influence on business expectations in Saskatchewan, which can be both a strength and a vulnerability. ECON can influence business confidence through its efforts to remove red tape and streamline regulations, developing a strong provincial labour force, and other activities aimed at improving the competitive investment climate.

## **Strategy—INCREASE ENTREPRENEURSHIP IN SASKATCHEWAN**

### **Key Actions & Results**

Provide settlement supports for immigrant entrepreneurs to facilitate business establishment.

- Provided funding to the Regina Regional Opportunities Commission (RROC) for the provision of business support services to landed entrepreneur nominees. RROC welcomes nominees, provides an overview of their nomination requirements and refers them to their settlement and business establishment resources in the community.
- Entrepreneur nominees also have access to the provincially funded settlement services available to all newcomers through a total of 54 immigrant-serving organizations across the province.
- Began work with the federal government to increase the focus on facilitating successful business establishment under the Saskatchewan Immigrant Nominee Program (SINP) Entrepreneur and Farm Category.

Promote Saskatchewan's economic opportunities for entrepreneurs via targeted joint marketing and communications opportunities.

- The Small Business Loans Association (SBLA) program issued 189 loans worth \$2,997,019. This has assisted in the creation of 348 new jobs and maintenance of 263 jobs. Since its inception, the program has issued 11,341 loans for \$82 million. This has created or maintained 31,156 jobs.
- Provided financial support to third party delivery agents to increase entrepreneurship awareness and skills to youth throughout the province including supporting Junior Achievement (JA) of Saskatchewan with the Student Ventures Program, supporting the Canadian Youth Business Foundation mentorship program, and supporting the provincial Lemonade Day, an experiential learning program that teaches youth the skills they need to start, own and operate their own business by running a lemonade stand.

### **Performance Measure & Results**

In the first year that the Student Ventures Program was implemented, JA was able to deliver the program 28 times, reaching 335 students. In its second year, the program was delivered 29 times, reaching an additional 455 students.

The ministry is working towards defining further performance measures and results for this goal.

## **Strategy—ADVANCE ECONOMIC DEVELOPMENT FOR FIRST NATIONS, MÉTIS AND NORTHERN PEOPLE**

### **Key Actions & Results**

Support implementation of the Consultation Policy Framework to provide guidelines on the role of industry in mineral development.

- Released the Proponent Handbook, Voluntary Engagement with First Nations and Métis Communities to inform Government's Duty to Consult Process in December 2013. The handbook was prepared by the Ministry of Government Relations in collaboration with the Ministries of Justice, Environment and the Economy.
- Discussed the handbook at the Saskatchewan Geological Open House in December 2013. Although the handbook had not yet been released, the information contained in the handbook was presented and interested parties were sent a link to the handbook once the release was official.

Advance opportunities for Aboriginal businesses on procurement initiatives in co-operation with Crown corporations and ministries.

- Supported the Aboriginal Human Resource Council, in partnership with the Federation of Saskatchewan Indian Nations (FSIN), to deliver a training workshop to industry representatives on strategies and practices to increase Aboriginal business participation in supply chain opportunities.

Work with northern businesses and entrepreneurs to advance the economic opportunities within the northern mining and mineral supply chain.

- Developed the Northern Mining Supply Chain Strategy and co-ordinated a successful 2013 Northern Opportunities Forum, aimed at enhancing northern mining supply chain development.
- Supported the development of the online Northern Business Directory and 42 northern community profiles for investment attraction purposes.



Lead the implementation of activities to ensure that First Nations, Métis and Northerners contribute and benefit from the initiatives within the Saskatchewan Plan for Growth.

- Partnered with Community Futures and others to support the creation of a Northern Entrepreneurship Strategy and Business Planning Bootcamp.
- Co-managed with the federal government the Primrose Lake Economic Development Agreement, providing economic development benefits to Beauval, Cole Bay, Jans Bay and Ile-à-la-Crosse.
- Identified best practices for northern economic development in partnership with the Conference Board of Canada, through the Centre for the North Initiative.
- Supported the Empower Program to enhance First Nations and Métis entrepreneur development.
- Took part in the negotiation of a federal regulation and tripartite agreement with Muskowekwan First Nation (MFN) and the Government of Canada, under *The First Nations Commercial and Industrial Development Act*, to enable the potential development of a potash mine on MFN's reserve.

Seek partnerships and develop networks among the private sector and First Nations, Métis and northern businesses to increase employment, businesses and engagement in the economy.

- Attracted the Aboriginal Business Match (ABM) to Saskatchewan and supported the capacity of First Nations and Métis to participate in the ABM, which is designed to connect First Nations and Métis with Aboriginal and non-Aboriginal companies, industry, government agencies and others mandated to support Aboriginal business development.
- Supported the creation of a self-funded Northern Economic Development Council to support business development.
- Supported the transition of the Aboriginal Business Directory (ABD) to an Aboriginal Business Opportunities Network that will build capacity and enhance the services available to clients beyond what was offered by the ABD. The Aboriginal Business Opportunities Network will connect businesses through an online application that will assist them to source new business opportunities, as well as access tools and services to support business growth.

Work in partnership with northern communities to support the re-emergence of the forestry industry by fostering innovation and new product development, including value-added processing.

- Co-operated with the Ministry of Environment in its work to establish a new set of standards covering forest resource management in Saskatchewan.
- Consulted with northern communities, interest groups and the forestry industry as part of the forest service process.
- Helped to develop a regulatory environment supporting economic growth, innovation in product development and value-added processing.
- Managed and provided business advisory support to North West Community Wood Products, the Agency Chiefs Tribal Council, and the Montreal Lake Cree Nation, which receives \$1.51 million through Long Term Resource Agreements.

Build on recommendations of the Joint Task Force on Aboriginal Education and Employment to increase employment, business and engagement in the economy.

- In April 2013, the Joint Task Force issued its final report on Improving Education and Employment Outcomes for First Nations and Métis People.
- Opening of Willow Cree Education and Training Centre in Duck Lake (joint federal/provincial initiative).
- In response to the Joint Task Force, the government announced \$3 million to improve education and employment outcomes for First Nations and Métis children and youth.
- In response to the Joint Task Force recommendation that government fund driver education training for Saskatchewan students attending First Nations schools, FSIN and Saskatchewan Government Insurance (SGI) worked together to hold two workshops to raise awareness of the business opportunity created in relation to offering First Nations driver training, and to identify characteristics for a successful business venture.

## Performance Measure & Results

Increase in the number of First Nations, Métis and northern businesses.

This performance measure is still under development.

## Strategy—OPTIMIZE RESOURCE PRODUCTION AND UTILIZATION

### *Key Actions & Results*

Encourage industry to adopt the use of proven, innovative technology to improve recovery and encourage the full utilization of hydrocarbons, mineral and forest resources.

- Four multi-year Enhanced Oil Recovery (EOR) projects were approved by the Innovation Saskatchewan (IS) Board in 2013-14. IS committed \$1.9 million, leveraging industry's investment of \$4.3 million for a total investment of \$6.2 million. A total of \$1.0 million will be provided by ECON through IS to continue supporting research in new approaches to oil recovery.
- Provided funding to the Petroleum Technology Research Centre (PTRC). Two of the four EOR projects approved by IS in 2013-14 involved the PTRC's EOR Consortium (Husky, Devon, CNRL and BP Alaska) and are managed by PTRC. The other two are managed by a technology company involving the Saskatchewan Research Council in significant roles.
- Produced and provided high-quality, easily accessible geoscience data to encourage and facilitate the exploration and development of Saskatchewan's mineral and oil and gas resources.

Support resource-based value-added development and integrated product development.

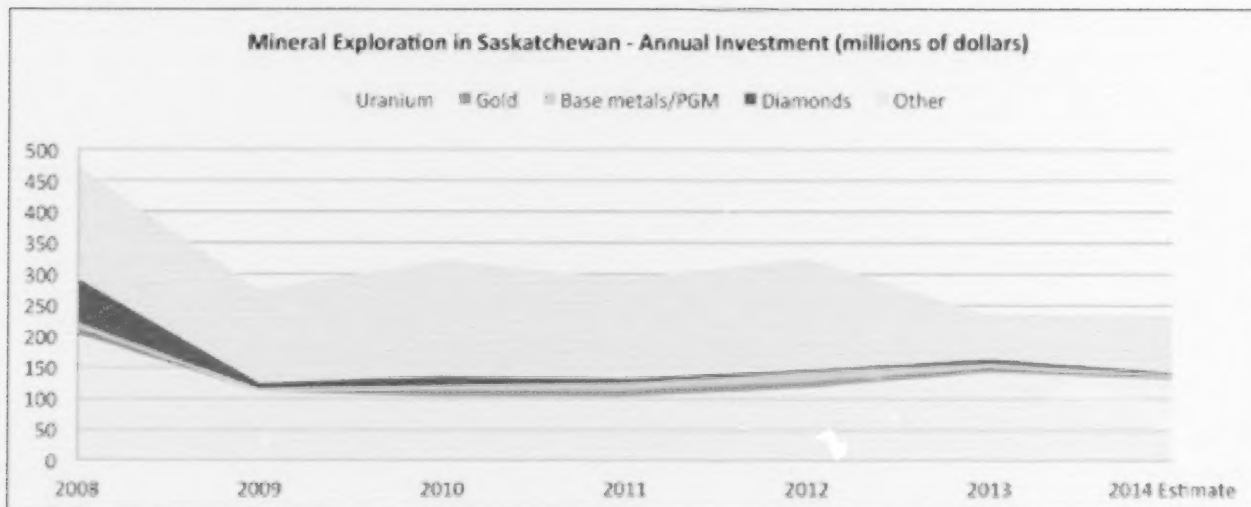
- Commissioned a study that will be completed by May 2014 to update the BioPathways analysis of existing and innovative wood processing technologies, best for increasing economic returns in Saskatchewan's wood processing industry. These technologies include value-added processing of lumber, engineered oriented strand board products, biochemical from pulping process water and bio-energy. Results will be available to existing forest companies and potential industry entrants.
- ECON is responding to increasing global export and off-shore investment inquiries, at least one of which has resulted in expanded forest product sales into Asian markets.

Work with ministries and agencies to facilitate placement of infrastructure to support and accelerate resource development.

- Worked collaboratively with the Ministry of Highways and Infrastructure to continue to address forestry development-related issues and priorities.

## Performance Measure & Results

### Mineral Exploration in Saskatchewan



Source: Ministry of the Economy

Saskatchewan's large and diverse mineral sector is comprised of three inter-related components: mineral exploration, mining and value-added activities. It is one of the most technologically advanced industries in the province. Mineral exploration is crucial to sustaining and growing the sector. As natural resources continue to deplete, new mineral deposits must continually be explored and discovered, not only to enable existing mining operations to continue to operate, but also to ensure the viability of the sector through the growth and development of new mining operations. Ongoing exploration also commonly leads to the discovery of new commodities for development, broadening and diversifying the overall mineral sector. The exploration industry includes a variety of players, ranging from prospectors, to junior exploration companies, to senior international corporations.

This measure tracks mineral exploration for select commodities ("Other", above, includes commodities such as coal, rare earth minerals and potash. Although potash is the main mineral commodity in this category, it must be combined with other minerals so that ECON can maintain confidentiality about data that could reveal company-specific activities). In the chart above, platinum group metals is expressed using its acronym PGM.

The moderately high levels of mineral exploration present a variety of opportunities for direct employment and business development, particularly for geographic regions close to the major centres of exploration, as well as for more regional centres. The measure helps indicate demand for Saskatchewan mineral resources and identifies possible future developments, including the attractiveness of Saskatchewan, in particular, to Asian investors. According to a 2014 Natural Resources Canada preliminary survey of anticipated provincial and territorial exploration spending, Saskatchewan will rank fourth in Canada, behind Ontario, Quebec and British Columbia.

In 2014, estimated exploration spending of \$235 million will be about the same as actual expenditures of \$236 million in 2013, but down from expenditures of \$323 million in 2012. This decline mirrors a sharp drop in total Canadian exploration spending from \$3.9 billion in 2011, to an estimated \$2.1 billion in 2014. This decline is attributed to recent turmoil in global commodity markets.

The Mineral Exploration Tax Credit Program received and processed non-refundable tax credits of \$4.6 million from nine companies with a total investment of \$46.5 million for the 2013 tax year. Regulation amendments have been completed to extend the program past January 1, 2014.



## Strategy—DEVELOP THE KNOWLEDGE AND SKILLS OF SASKATCHEWAN PEOPLE

### Key Actions & Results

Implement a revised approach to foundational skills development focused on Adult Basic Education (ABE) programs to improve employment outcomes.

- Provided \$22.9 million in 2013-14 to publicly funded post-secondary institutions to deliver ABE programs, benefiting approximately 7,900 learners. This funding included \$1.5 million to increase system capacity through the addition of 300 on-reserve training opportunities to reduce the waitlist for ABE programs.
- Training was delivered by public institutions, including the Saskatchewan Institute of Applied Science and Technology (SIAT), regional colleges, Lakeland College, Dumont Technical Institute and the Saskatchewan Indian Institute of Technologies (SIIT).
- Reviewed and updated ABE Levels 1 and 2 benchmarks to include employment connections as a part of the learner outcomes.

Work with First Nations, Métis, northern communities and government agencies to establish workforce participation skills, education and training programs that allow participants to pursue long-term, meaningful careers in the northern resource economy.

- Provided funding and supports through the Northern Career Quest partnership to enable 674 northerners to participate in training. To date, 502 participants have gained employment in the resource sector in northern Saskatchewan.

Support delivery of on-reserve active measures such as youth career planning and skills development, short-term training and partnerships with industry and the public sector.

- Established the Atoskewin Success Centre in North Battleford, in partnership with the Battlefords Agency Tribal Council (BATC) and Aboriginal Affairs and Northern Development Canada (AANDC). BATC has developed a strategy to reduce welfare dependency for its member bands (Ahtahkakoop, Moosomin, Red Pheasant, Sweetgrass, Stoney Knoll and Saulteaux), through a variety of initiatives, including new programs and services at the centre. The mission of the centre is "To assist and support our First Nations People, in assessment, training and work placement."

- Supported establishment of the Willow Cree Training Centre at Duck Lake, in partnership with Beardsy's and Okemasis First Nations and AANDC. The facility will host ABE and other programs aimed at ensuring access to foundational skills programs and services to assist local band members to find employment.
- Worked with George Gordon First Nation to establish programs and services on-reserve to assist those with barriers to employment to prepare for jobs. Funding was provided for educational assessments delivered through Carlton Trail Regional College, and work is currently underway to assist the community to develop a training plan.

Support the government's overall approach to eliminating the education and employment gaps for First Nations and Métis people.

- Co-sponsored the first "The Future is Yours" career and employment fair hosted by the Saskatoon Tribal Council (STC). The event was aimed at young First Nations students, and provided information on future career and training opportunities, as well as encouragement to complete their education.
- Established services to support the transition and settlement of persons from rural and remote communities, with a special focus of First Nations and Métis, into the community of Prince Albert, by providing relevant and timely assessment, settlement planning, referrals and direct support services.
- Worked with Pasqua First Nation and Parkland College on the design and delivery of a workplace essential skills program to prepare First Nations people for employment in the maintenance and installation of telecommunications equipment in the region.
- Funded industry-recognized retail sector skills training for 15 individuals of the Montreal Lake Cree Nation. Participants gained recognized essential skills, occupational skills, safety certification and valuable hands-on workplace training to be successfully employed at the band's retail operations.

Work with First Nations partners, employers and post-secondary institutions to assist in transitioning First Nations students moving off-reserve to pursue jobs and educational opportunities.

- Initiated work readiness projects specifically aimed at preparing First Nations people for jobs. Examples include Active Measures partnerships, which transition people from social assistance on-reserve into jobs. Active Measures initiatives are underway in 17 Saskatchewan First Nations.

- Established 10 new partnerships with First Nations communities and tribal councils. These partnerships have led to the development of training and employment centres.
- Provided funding for the Mining Essentials program for 16 First Nations trainees through the Southeast Regional College. Participants came from Ochapowace, Cowessess and George Gordon First Nations. This was a very successful initiative as 10 of the 14 participants became employed upon graduation, with a class average of 90 per cent. Two participants left the program early for personal reasons.
- In 2013-14, 19 projects were either on First Nation reserves or with Aboriginal groups.

Accelerate essential skills training and increase First Nations and Métis employment.

- Provided \$2.5 million through the ABE grant for Essential Skills for the Workplace (ESWP) programming, in support of 24 projects providing 396 training opportunities. ABE-ESWP programs are delivered by post-secondary institutions throughout Saskatchewan in partnership with Aboriginal groups.

Increase opportunities for apprenticeship and related training including opportunities for students in high school.

- Funded the Canadian Business Youth Foundation (\$188,000 over two years) to engage and give students the education and skills they need to start a business in the trades. Also, provided support to organizations such as the Saskatchewan Young Professionals and Entrepreneurs (SYPE) and Junior Achievement of Saskatchewan.

Better match workers to jobs training to the needs of employers and employees, and build skills in our workforce that will allow more Saskatchewan people to occupy jobs.

- Worked with industry education councils to connect youth with careers in strategic sectors. A new Regina industry education council was founded and has begun offering programs in the Regina area to lead youth to local, in-demand careers.
- Laid groundwork for the Manufacturing Centre of Excellence. The centre will provide services to meet the training needs of provincial manufacturers.

Increase the province's future labour supply by developing the skills of under-represented groups within Saskatchewan.

- Worked with SIIT to establish the Northern Work Preparation Centre in La Ronge. The centre will provide essential skills and employability skills development programs for northerners with barriers to employment.
- Introduced Bridges to Success, a General Education Development (GED) preparation program, in partnership with the Learning Disabilities Association in Regina. The program will provide individuals who are experiencing difficulty obtaining or maintaining employment because of a learning disability and incomplete secondary education with an opportunity to acquire the knowledge and skills to successfully complete a GED.
- Provided \$630,300 through the Temporary Initiative for Older Workers program to various service providers to fund training opportunities for over 80 participants, primarily between the ages of 55 to 64, to help them reintegrate into the labour market.

Add 300 additional apprenticeship spaces in the province.

- Increased apprenticeship training system capacity by 300 seats, through an additional allocation of \$2.1 million, bringing the total number of apprentice training seats to 6,400.

Eliminate the wait list for ABE programs by the end of the government's current term.

- Provided a \$1.5 million increase in the ABE grant to increase program capacity by 300 seats.
- Implemented standardized definitions and methodology with post-secondary institutions delivering ABE programs to ensure consistency in the management of waitlists.

Align programs provided by Saskatchewan's training institutes and workforce readiness activities to the current and future needs of employers in the province, while working with employers to increase the number of industry-sponsored training seats in Saskatchewan post-secondary institutions.

*Skills Training Allowance (STA):*

- Provided \$14.5 million to public training institutions to deliver demand-driven, accredited training programs. This investment will result in more than 3,000 training opportunities for unemployed and underemployed individuals.

#### *Early Childhood Education (ECE):*

- The ECE allocation supports the training needs of childcare workers in communities where new childcare spaces have been approved.
- Provided \$1 million for full-and part-time ECE programs delivered in over 22 different training locations, with an estimated enrolment of 480 students. These figures include funding through both the STA and ECE allocations.

#### *Agriculture Operators Program:*

- Developed the Agriculture Operators pilot program. The program is offered by Parkland College in partnership with Lakeland College and the Ministry of Agriculture.

#### *Apprenticeship:*

- The growth in registered apprentices continues to outpace British Columbia and Alberta. As of June 2013, there were 10,023 apprentices registered in Saskatchewan, a 23 per cent increase since 2007-08.
- Provided \$2.6 million to support apprentices who must study away from home. For the period of January to December 2013, there were 2,737 apprentices who received an apprenticeship training allowance compared to 2,574 for the same period in 2012.

Introduce a Talent Team approach across government to proactively address critical labour shortages for large capital infrastructure projects.

- Talent Teams assisted five companies (YARA, Paper Excellence, Harvest Meats, Loblaw and Emterra) through streamlined access to training, immigration and recruitment services provided by the Government of Saskatchewan.

Continue promoting job opportunities online and create online matching tool to better target job seekers' occupational skills with job vacancies on the SaskJobs website.

- Completed business requirements, developed and launched two new job matching features. A social media toolbar and an improved job alert tool were introduced on SaskJobs in May 2013.

Communicate and market job opportunities to Saskatchewan people using social media, traditional media and recruitment events.

- Launched an exclusive partnership with Workopolis to promote the job opportunities in Saskatchewan with links to [saskjobs.ca](http://saskjobs.ca).
- Partnered with Tourism Saskatchewan to launch the ThinkSask national campaign in October 2013 to encourage people from across Canada to live and work in Saskatchewan. The six-week campaign resulted in 42,000 visits to [Thinksask.ca](http://Thinksask.ca) and 30 million impressions from the television and online ads.
- Continued the Saskatchewan Jobs Facebook page, which reached over 19,500 page views and 1,311 new page likes for a total of 6,019 followers.

## Government Goal: Quality of Life

### Strategy—MANAGE RESOURCES TO ENSURE FAIRNESS, PUBLIC SAFETY AND ENVIRONMENTAL SUSTAINABILITY

#### Key Actions & Results

Conduct a review of *The Surface Rights Acquisition and Compensation Act* to address issues expressed by surface owners and mineral rights holders.

- Launched a review of *The Surface Rights Acquisition and Compensation Act* in August 2013. This review will recommend processes and potential compensation changes for surface rights access. It is expected that a bill will be brought forward in the fall of 2014, updating the legislation based on the results of the review.

Conduct follow-up assessments, technical reviews, field inspections and enforcement activities of approved oil and gas projects to ensure resources conservation, environmental protection and public safety are being maintained.

- Developed a new oil and gas well levy that was introduced in the 2014-15 Budget. As part of ongoing work to streamline the licensing, regulation and monitoring processes in the oil and gas sector, the new levy will eliminate 10 different licensing fees, which account for more than 20,000 annual transactions. The new levy will require industry to pay 90 per cent of regulatory oversight costs, raising an additional \$13.3 million in fiscal year 2014-15. This brings Saskatchewan in line with Alberta and British Columbia, where similar levies require industry to cover 100 per cent of regulatory costs. Industry's overall funding obligation remains at or below the levels in comparable jurisdictions, and an investment friendly royalty regime ensures that Saskatchewan's business climate remains strong. This levy also provides a funding mechanism that will ensure the province's regulatory services are sustainable and will keep pace with this rapidly growing sector.
- New funding will enable government to deliver on the common goal of a safe and effective oil and gas sector. In addition to adopting a single fee, the levy will support:
  - The move to a single-window application process with the immediate launch of a working group between ECON and the Ministries of Environment and Agriculture, with a target for implementation by the end of the 2014-15 fiscal year;

- Same-day approval for routine horizontal well applications;
- Establishment of a working group to pursue service improvements with Saskatchewan Rural Municipalities;
- Enhanced air pollutant monitoring and enforcement;
- Increased oversight of contaminated sites;
- Enhanced well and facility operations monitoring and enforcement;
- Enhanced reservoir reporting and monitoring; and
- Enhanced spill contingency and response.

Administer environmental liability programs such as the Institutional Control Program and the Orphan Well Program.

- Completed a successful year of operations of the Orphan Well Program, with a dramatic increase in the number of orphan wells abandoned and wells deemed as orphans. This contributed to significant cost efficiency on a per-well basis due to the economies of scale.
- Administration of the Orphan Well Program continues, and an annual report on its progress is available on the ministry website for public viewing.

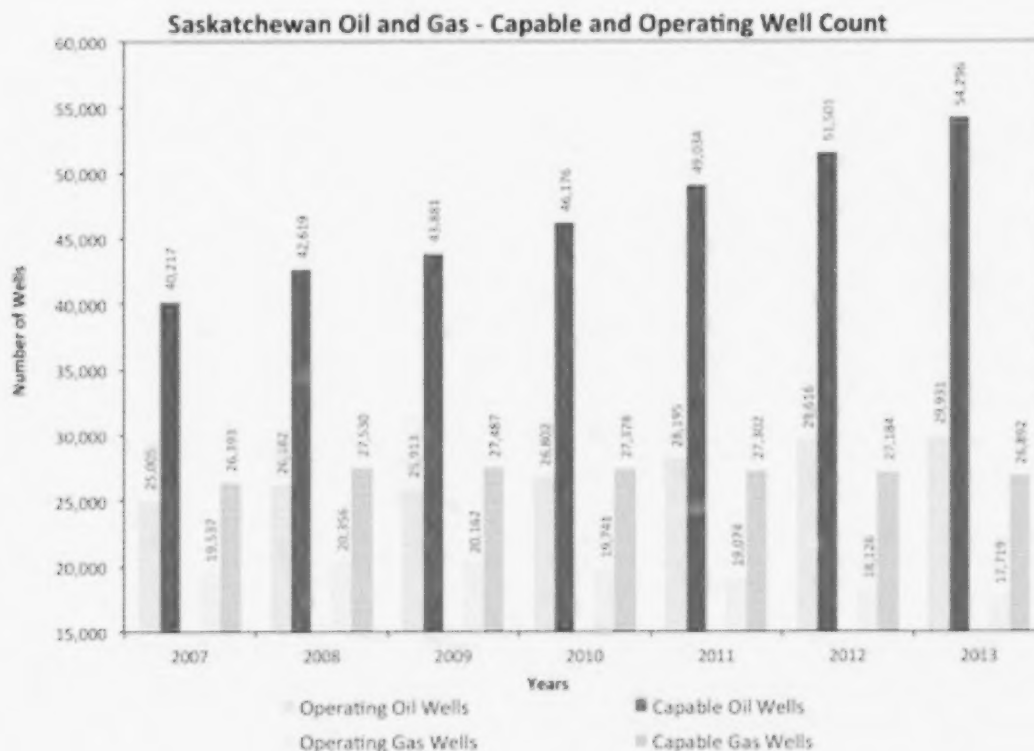
Administer the Cleanup of Abandoned Northern Sites (CLEANS) Program.

- Made significant progress on two important CLEANS Program projects. The Environmental Impact Statement (EIS) for the Lorado site has been approved, and remediation activities should be complete by the end of 2015. The EIS for the Gunnar site is expected to be approved in the summer of 2014, with remediation activities beginning in the 2016 work season.



## Performance Measure & Results

### Saskatchewan Oil and Gas – Capable and Operating Well Count



Source: Ministry of the Economy

The number of capable oil and gas wells in the province has increased from fewer than 56,854 wells in 2004 (not shown) to 81,188 wells in 2013 (an increase of greater than 43 per cent). This measure is an indicator of demand on the administrative processes and service levels required to perform the ministry's management of resources as the number of wells in the province increases. Provincial officials monitor the oil and gas wells in Saskatchewan because of the importance of this non-renewable resource to the provincial economy.

Saskatchewan is the second largest oil producer in Canada, second only to Alberta, and also the third largest producer of natural gas, behind British Columbia and Alberta.

ECON monitors various aspects of oil and gas well activity from a regulatory (operational safety, environmental and resource conservation) and revenue (royalties, taxation and tenure) perspective. The information that is maintained includes, but is not limited to: well records, drilling information, ownership, completion information, pressure and fluid analyses, drill stem tests and other information for each well drilled under *The Oil and Gas Conservation Regulations, 2012*.

By monitoring the number of capable wells in Saskatchewan, ECON is able to measure ongoing activity in oil and gas production, forecast provincial revenues and plan the human and financial resources needed to regulate the industry. ECON is also able to estimate the number of wells that may be shut-in until productive capacity is restored (perhaps with new technology), or potentially abandoned or left orphaned at some future point, by comparing the number of capable wells with wells in operation.

## Strategy—ATTRACT SKILLED AND KNOWLEDGEABLE WORKERS FROM ACROSS CANADA AND AROUND THE WORLD

### Key Actions & Results

Work with Saskatchewan businesses, municipalities and industry associations to promote job opportunities in Saskatchewan with online tools and through active participation at five national and international job fairs annually.

- Supported employer-driven recruitment of skilled workers through five recruitment missions to Ireland/ United Kingdom, Ireland, France/Belgium, Philippines and Toronto. The target for persons hired on the recruitment missions was 275 skilled workers and the number of persons hired was over 415 people.
- Worked with the Saskatchewan Trade and Export Partnership (STEP) to participate in Agritechnica, the world's largest agricultural trade show, hosted in Germany, to promote the Farm Owner/Operator Category of Saskatchewan Immigrant Nominee Program (SINP).
- Supported employer engagement by the federal government regarding development of Express Entry (the federal immigration online application system scheduled to launch in early 2015 and intended to link employers with foreign workers through a modernized national job bank).

Nominate immigrants under the Saskatchewan Immigrant Nominee Program (SINP) to help meet the labour market needs of employers.

- Over the past five years, SINP nominee landings increased substantially from 3,037 persons in 2008 to 8,192 in 2013. SINP is the most widely utilized immigration program in the province, accounting for 88 per cent of overall growth in immigration to Saskatchewan during this period, with federal immigrants accounting for 12 per cent.
- Over 65 per cent of Saskatchewan's population growth in 2013 was due to immigration.
- Immigration of working-age immigrants grew from 3,439 in 2008 to 8,289 in 2013.
- Met the annual nomination allocation and approved 4,470 SINP nominees in 2013. For 2014, the federal government increased Saskatchewan's nominee allocation cap to 4,725.

Work with the federal government to ensure a balance of temporary foreign workers and permanent immigrants in Saskatchewan to meet critical skill shortages.

- Negotiations are currently on hold pending further direction from the Government of Canada following its review of the Temporary Foreign Workers Program.

Create a SaskJobs international website to better assist immigrant job seekers in finding employment in Saskatchewan.

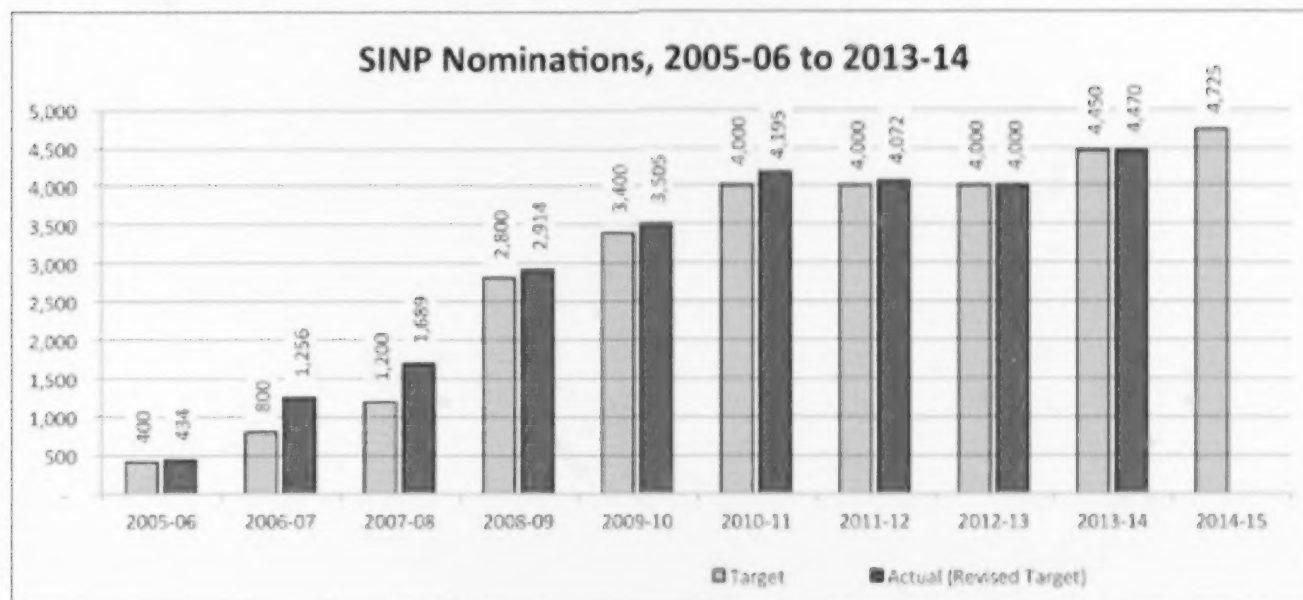
- Began developing the website in 2013-14, with expected launch in 2014-15.
- Worked with Employment and Social Development Canada to introduce new features on SaskJobs that will help employers satisfy new federal requirements for advertising jobs in Canada before accessing Temporary Foreign Workers.

Develop and execute marketing strategies to support international recruiting efforts, including specific recruitment missions, as well as ongoing online marketing to geographic and occupation targets.

- Met the recruitment mission plan objectives for 2013-14, which included recruitment missions and travel to: Toronto, the United Kingdom, the Philippines, France, Belgium, and three recruitment trips to Ireland.

## Performance Measure & Results

### Number of Saskatchewan Immigrant Nominee Program Nominees



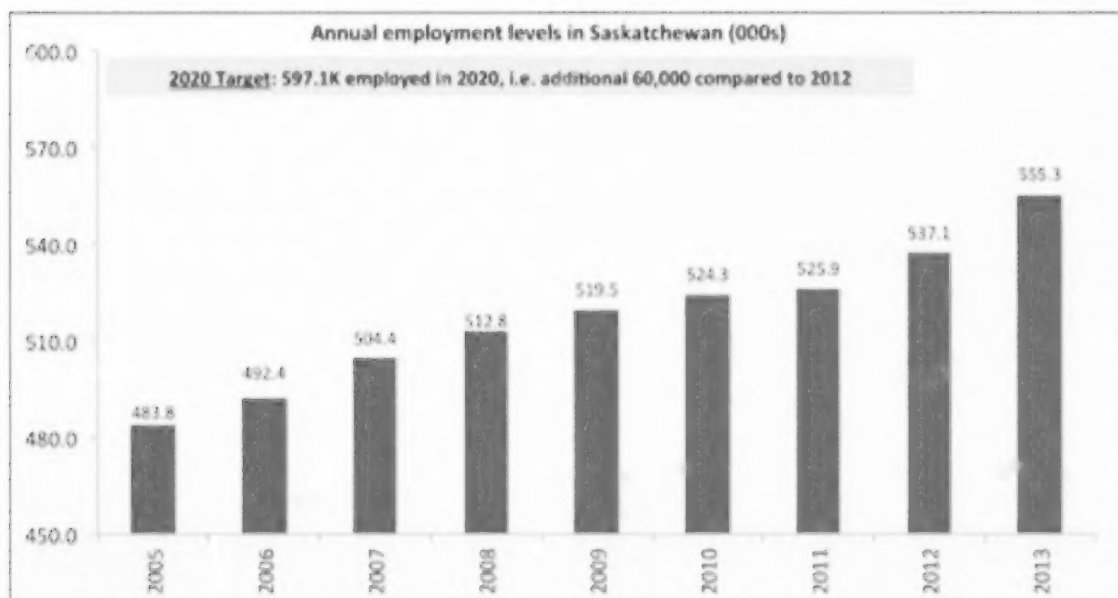
Source: Ministry of the Economy SINP Oasis Database

The measure illustrates the number of foreign workers nominated by the SINP for permanent residency (to live, work and settle) in Saskatchewan. SINP data is collected by ECON. The ministry has a moderate level of influence on this measure, as it is in part dependent on the federal levels plan for immigration, and the needs of participating employers. The SINP has a target of 4,725 nominations for 2014-15, which corresponds to the allocation from the federal government. The federal allocation can be increased mid-year to redistribute available nominations that other provinces/territories have not utilized, which results in revised targets.

The SINP works with employers and community stakeholders to facilitate the immigration of skilled workers and entrepreneurs and their families by linking them with employment and economic development opportunities. This work supports the Saskatchewan Plan for Growth key target of 60,000 more workers in Saskatchewan by 2020 to ensure sustained economic growth. There are many factors that influence the number of nominations issued by the SINP and impact immigration rates to the province. These factors include the nomination target approved by the federal government, as well as local labour demand, applicants' qualifications and overall awareness of the SINP. The almost 930 per cent increase in SINP nominations since 2005-06 is due primarily to strong labour market demand and increased use of the SINP by Saskatchewan employers, as well as the expansion of SINP categories.

The 4,470 nominees/nominations in 2013-14 refer to the principal applicant; however, nominees bring their spouses and dependants on the same application. The average SINP nominee family size was 2.5 people over 2010 to 2012. Consequently, the SINP contributes to Saskatchewan's population target as well as labour market targets.

## Employment in Saskatchewan



Source: Statistics Canada, Table 282-0002 (seasonally adjusted)

Employment is a key outcome of government's labour market development activities. These activities range from primary, secondary and post-secondary education, to adult training and employment support services. Continued progress in labour market development is a shared responsibility involving co-ordination between industry, employers, labour unions, post-secondary institutions, other levels of government and workers. Employment growth reflects the success of this co-ordinated approach.

Moving forward to 2020, the Saskatchewan Plan for Growth sets out to align the labour market activities of stakeholders around three themes, including (i) workforce attraction; (ii) workforce development; and (iii) workforce retention.

In 2013, Saskatchewan reported all-time highs for employment growth (18,200), total employment (555,300), full-time employment (457,900) and Aboriginal employment (42,500). Saskatchewan's employment growth rate was 3.2 per cent, the second highest among the provinces, behind Alberta (3.3 per cent).

The above measure reflects total annual employment in Saskatchewan. It is the average number of employed persons from the Labour Force Survey (LFS), which is conducted monthly by Statistics Canada. The LFS in Saskatchewan consists of a rotating sample of nearly 3,900 households. For reasons of jurisdiction, the LFS is only conducted with households living off-reserve.

A complete guide to the Labour Force Survey is available from Statistics Canada (71-543-GWE) with data available in CANSIM table 282-0002.



## Strategy—RETAIN KNOWLEDGEABLE AND SKILLED WORKERS IN SASKATCHEWAN WORKPLACES AND COMMUNITIES

### Key Actions & Results

Facilitate recognition of international qualifications to support use of education, skills and work experience.

- Collaborated with Saskatchewan regulatory authorities, educational institutions and other relevant stakeholders, including the federal government and other provinces and territories, to implement a Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications to build fair, transparent, timely and consistent qualification recognition systems, while maintaining the standards established to protect the public.
- Finalized a multi-year (2009-13) federal-provincial contribution agreement and necessary work to complete that agreement. Initiated negotiations for a new two-year agreement.
- Provided funding for programs to assist new immigrants including:
  - International Medical Graduate Support Program – provides guidance, referrals and supports to over 130 Saskatchewan medical graduates seeking medical residency or eligibility for medical practice in Saskatchewan or alternative career options;
  - Immigrant Access Fund – provides internationally trained workers access to low interest character-based loans to assist with the assessment, training and licensing of international qualifications or supports for alternative related careers. The Immigrant Access Fund issued 74 loans in 2013-14; and
  - Agreement with the International Qualification Assessment Service – this agreement serves Saskatchewan residents seeking assessments (document verification and Canadian education equivalency). In 2013-14, this agreement had 987 service requests from individuals living in Saskatchewan.

Increase settlement support services such as language training to assist in the attraction and retention of new Canadians to Saskatchewan.

- Provided funding for provisional services to 54 immigrant serving agencies across Saskatchewan. This includes 11 Regional Newcomer Gateways providing referral services to newcomers across Saskatchewan, as well as 22 settlement advisers providing more in-depth settlement planning support.

- Regional Newcomer Gateways recorded more than 32,500 service inquiries from clients in 2013-14. Over 48 per cent of these occurred in Regina and Saskatoon.
- The most recent data available shows that 88 per cent of economic immigrants who landed in Saskatchewan between 2007 and 2011 are still living in Saskatchewan (economic class principal applicants, including federal streams and provincial nominees). This compares to 88 per cent retention of federal family class immigrants and 83 per cent retention of federal refugees.

## Government Goal: Responsive and Responsible Government

### Strategy—COLLECT A FAIR ECONOMIC RENT, BALANCED WITH STABILITY

#### Key Actions & Results

Ensure royalty structures reflect the value of commodities.

- All Saskatchewan timber and mineral resource revenue charges incorporate the sales value of commodities, save for selected industrial minerals (e.g. sodium chloride or salt) where a flat fee per tonne is levied on freehold production.
- Saskatchewan has stable, predictable resource revenue charges for timber, oil and gas, coal, uranium, potash and other mineral resources. Levels of oil industry investment, employment, production and drilling remain at or near record level, and provincial oil revenues remain strong.
- Introduced a new uranium royalty system, retroactive to January 2013, that will recognize actual costs and improve the competitiveness of the industry.

Monitor royalty developments in other jurisdictions.

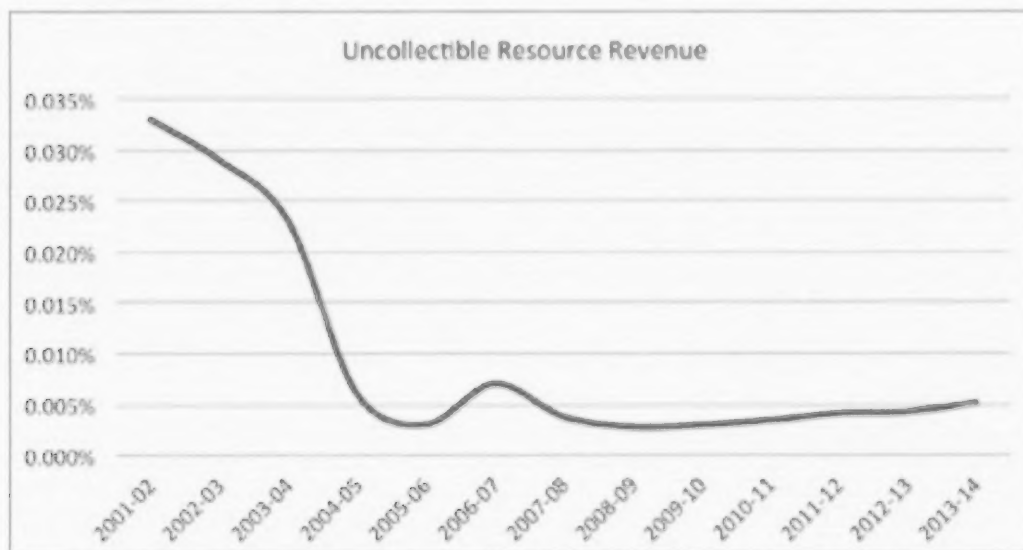
- Saskatchewan's royalty structure remains very competitive with surrounding jurisdictions, and industry remains fully supportive of the province's royalty structure.
- Reviewed changes in resource revenue charges levied in other jurisdictions to ensure that Saskatchewan remains competitive in attracting mineral resource and forestry investments.

Ensure timely and optimal collection of resource revenues.

- Invoiced and collected resource revenue of \$2.1 billion during the year.
- 147 audits were conducted, with audit recovery of \$48 million. All audits were completed in a timely manner, with the exception of the mineral resource sector, due to a high volume of work and limited auditors.
- The amount of money collected for the completed audits is optimal and in line with previous years.

## Performance Measure & Results

### Uncollectible Resource Revenue



Source: Ministry of the Economy

The term "uncollectible revenues" refers to the amounts of non-renewable resource revenues that are written off as bad debts and are expressed as a percentage of revenues recorded. ECON ensures the timely and optimal collection of revenues, on behalf of the Government of Saskatchewan, from the production and sale of the province's energy and mineral resources, the sale of Crown mineral rights and other associated taxes, services and fees.

ECON takes action to achieve an acceptable level of assurance that all royalties, taxes and fees to which the province is entitled are properly determined and reflected in the accounting records, and that the amounts owing are paid. In order to achieve an acceptable level of assurance, the potential risks are evaluated, auditing and

monitoring processes and procedures are established, and human and technical resources are utilized to mitigate those risks. ECON assesses the adequacy of these processes and resources on an ongoing basis and enhances them as it deems necessary. The client groups affected by these programs are the mineral and oil and gas industries; individuals and companies that have a working interest in the Saskatchewan oil and gas; and mining industry, private mineral owners and purchasers of products and services that the government provides.

Inherent in this measure is a reflection of the financial stability of resource companies carrying on business in Saskatchewan. The lower the percentage of uncollectible revenues, the more stable are the private-sector companies remitting payments to the province.

# 2013-14 Financial Overview

## Ministry of the Economy

### 2013-14 Budget vs Actual Expense Variance Report

#### By Subvote and Subprogram

#### Summary of Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the Ministry of the Economy. Variance explanations are provided for individual variances that are greater than \$100,000.

	In Thousands of Dollars				
	Actual Expenditures 2012-13	Restated Estimate 2013-14	Actual Expenditures 2013-14	Variance Over/(Under) 2013-14	
Subvote/Subprogram					
<b>EC01 Central Management and Services</b>					
Minister's Salary (Statutory)	86	94	95	1	
Executive Management	1,172	1,608	1,506	(102)	1
Central Services	22,427	25,056	25,014	(42)	
Accommodation Services	7,595	9,640	8,941	(699)	2
Surface Rights Arbitration Board	148	167	148	(19)	
<b>EC01 Central Management and Services Total</b>	<b>31,428</b>	<b>36,565</b>	<b>35,704</b>	<b>(861)</b>	
<b>EC06 Minerals, Lands and Resource Policy</b>					
Mineral and Energy Policy	1,577	1,748	2,328	580	1
Green Initiatives - Energy	-	-	-	-	
Energy Sector Initiatives	343	2,151	558	(1,593)	3
Petroleum Technology Research Centre (PTRC)	2,250	1,000	2,300	1,300	4
Lands and Mineral Tenure	1,624	1,797	2,137	340	5
Saskatchewan Geological Survey	4,210	4,457	4,472	15	
Forestry Development	597	1,004	756	(248)	1
<b>EC06 Minerals, Lands and Policy Total</b>	<b>10,601</b>	<b>12,157</b>	<b>12,551</b>	<b>394</b>	
<b>EC05 Petroleum and Natural Gas Total</b>	<b>9,767</b>	<b>10,267</b>	<b>12,038</b>	<b>1,771</b>	<b>6</b>
<b>EC04 Revenue and Planning</b>					
Operational Support	3,812	5,240	4,511	(729)	1
Small Business Loans Association - Concessionary Allowance	125	267	-	(267)	7
Small Business Loans Association - Loan Loss Provision	(58)	480	-	(480)	7
Ethanol Fuel Tax Rebate	24,330	16,000	16,533	533	8
Renewable Diesel Program	89	1,800	1,099	(701)	9
Northern Development Fund Grant Program	328	205	129	(76)	
<b>EC04 Revenue and Planning Total</b>	<b>29,428</b>	<b>23,992</b>	<b>22,272</b>	<b>(1,720)</b>	

<b>EC12 Economic Development</b>					
Operational Support	6,555	10,323	8,675	(1,648)	1
Saskatchewan and Trade Export Partnership	2,577	3,436	3,150	(286)	10
<b>EC12 Economic Development Total</b>	<b>9,132</b>	<b>13,759</b>	<b>11,825</b>	<b>(1,934)</b>	
<b>EC14 Tourism Saskatchewan Total</b>	<b>16,457</b>	<b>15,172</b>	<b>15,172</b>	<b>-</b>	
<b>EC13 Labour Market Development</b>					
Operational Support	17,099	16,878	16,029	(849)	1
Work Readiness - Youth and Skills Training	21,088	21,357	22,538	1,181	11
Work Readiness - Adult Basic Education	21,223	22,928	21,016	(1,912)	12
Work Readiness - Employment Development	21,551	24,886	25,759	873	13
Apprenticeship and Trade Certification Commission	21,446	21,226	21,226	-	
Employability Assistance for People with Disabilities	11,174	11,029	11,776	747	14
Provincial Training Allowance (PTA)	25,393	30,093	28,752	(1,341)	15
Skills Training Benefits (STB)	6,758	8,657	5,804	(2,853)	16
Apprenticeship Training Allowance (ATA)	2,999	2,245	3,193	948	17
Immigration	8,049	9,153	7,665	(1,488)	18
<b>EC13 Labour Market Development Total</b>	<b>156,780</b>	<b>168,452</b>	<b>163,758</b>	<b>(4,694)</b>	
<b>EC19 Enterprise Saskatchewan Total</b>	<b>16,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Appropriation</b>	<b>279,639</b>	<b>280,364</b>	<b>273,320</b>	<b>(7,044)</b>	
Capital Asset Acquisition	(6,856)	(7,860)	(5,755)	2,105	19
Capital Asset Amortization	164	3,013	2,998	(15)	
<b>Total Expense</b>	<b>272,947</b>	<b>275,517</b>	<b>270,563</b>	<b>(4,954)</b>	

**Variance Explanations (Amounts greater than \$100K):**

1. General operating and vacancy savings.
2. Delay in tenant improvement projects.
3. Under expenditure to offset over expenditure in PTRC and project cancellation.
4. Increase in grant funding for PTRC.
5. \$300K accrued for Scurry Trust Interest payments and general operating and salary pressures.
6. \$2.0M vired for salary pressures and costs relating to Petrinex offset by general operating savings.
7. Funds allocated in 2014-15 due to a delay in funds allocation in 2013-14.
8. Increase in utilization of the program due to production being slightly higher than anticipated.
9. Lower than anticipated utilization of the program due to producer being at less than full capacity.
10. Savings due to timing of payments in the previous fiscal year. Initial annual payment flowed in previous year.
11. General program underutilization (Workplace Essential Skills and Older Workers Programs) offset by pressures realized in trades and skills centres.
12. Decrease in program utilization.
13. Increase in workforce development and resource materials.
14. Higher than anticipated utilization of the program.
15. Expenditure restraints measures and savings as a result of the changing demographic of the student population.
16. Expenditure restraints measures and savings as a result of the changing demographic of the student population.
17. Increase for expected training seats, increase in rates offset by under expenditure in STB.
18. Savings due to programs no longer to being offset by federal recovery and general program savings.
19. Less than anticipated project costs for the Process Renewal and Infrastructure Management Enhancement (PRIME) capital project.

## Summary of Revenues

The Ministry of the Economy (ECON) collects revenues on behalf of the government from the production and sale of Saskatchewan's energy and mineral resources, the sale of Crown mineral rights, Enterprise Saskatchewan, Employment and Immigration, First Nations and Métis Relations and other associated taxes, services and fees.

All revenue collected is deposited in the General Revenue Fund. A summary of ECON's 2013-14 budgeted revenue compared to actual revenue is presented below. Variance explanations are provided for all variances that are greater than \$3.0 million.

ECON's actual revenue for 2013-14 was \$2.162 billion, a decrease of \$124.9 million below the 2013-14 budget estimates.

Summary of Revenues (In Thousands of Dollars) Revenue Category	2013-14 Budget	2013-14 Actual	Variance Over/(Under)	
<b>Non-Renewable Resource Revenue</b>				
Oil	\$ 1,441,200	\$ 1,513,900	\$72,700	1
Crown Land Sales	111,400	106,730	(4,670)	2
Natural Gas	9,600	16,455	6,855	3
Potash	519,900	346,029	(173,871)	4
Other Minerals	99,700	101,052	1,352	
<b>Total Non-Renewable Resources</b>	<b>\$ 2,181,800</b>	<b>\$ 2,084,166</b>	<b>(\$97,634)</b>	
<b>Other Own-Source Revenue</b>				
Mineral Rights Tax	\$ 8,000	\$ 8,670	\$670	
Sales, Services and Service Fees	35,182	4,931	(30,251)	5
Other Miscellaneous Revenue	76	7	(69)	
<b>Total Other Own-Source Revenue</b>	<b>\$ 43,258</b>	<b>\$ 13,608</b>	<b>(\$29,650)</b>	
<b>Total Revenue Energy and Resources</b>	<b>\$ 2,225,058</b>	<b>\$ 2,097,774</b>	<b>(\$127,284)</b>	
<b>Employment and Immigration</b>				
Other Revenue	\$ 2,279	\$ 4,080	\$ 1,801	
Transfers from Federal Government	58,848	57,467	(1,381)	
<b>Total Revenue Employment and Immigration</b>	<b>\$ 61,127</b>	<b>\$ 61,547</b>	<b>\$ 420</b>	
<b>Enterprise Saskatchewan</b>	<b>\$ 0</b>	<b>\$ 1,272</b>	<b>\$ 1,272</b>	
<b>Financial Programs</b>	<b>\$ 504</b>	<b>\$ 747</b>	<b>\$ 243</b>	
<b>Miscellaneous Revenue</b>	<b>\$ 0</b>	<b>\$ 528</b>	<b>\$ 528</b>	
<b>First Nations and Métis Relations</b>	<b>\$ 85</b>	<b>\$ 18</b>	<b>(\$67)</b>	
<b>Total Revenue Ministry of the Economy</b>	<b>\$ 2,286,774</b>	<b>\$ 2,161,886</b>	<b>(\$124,888)</b>	



### **Explanations of Major Variances:**

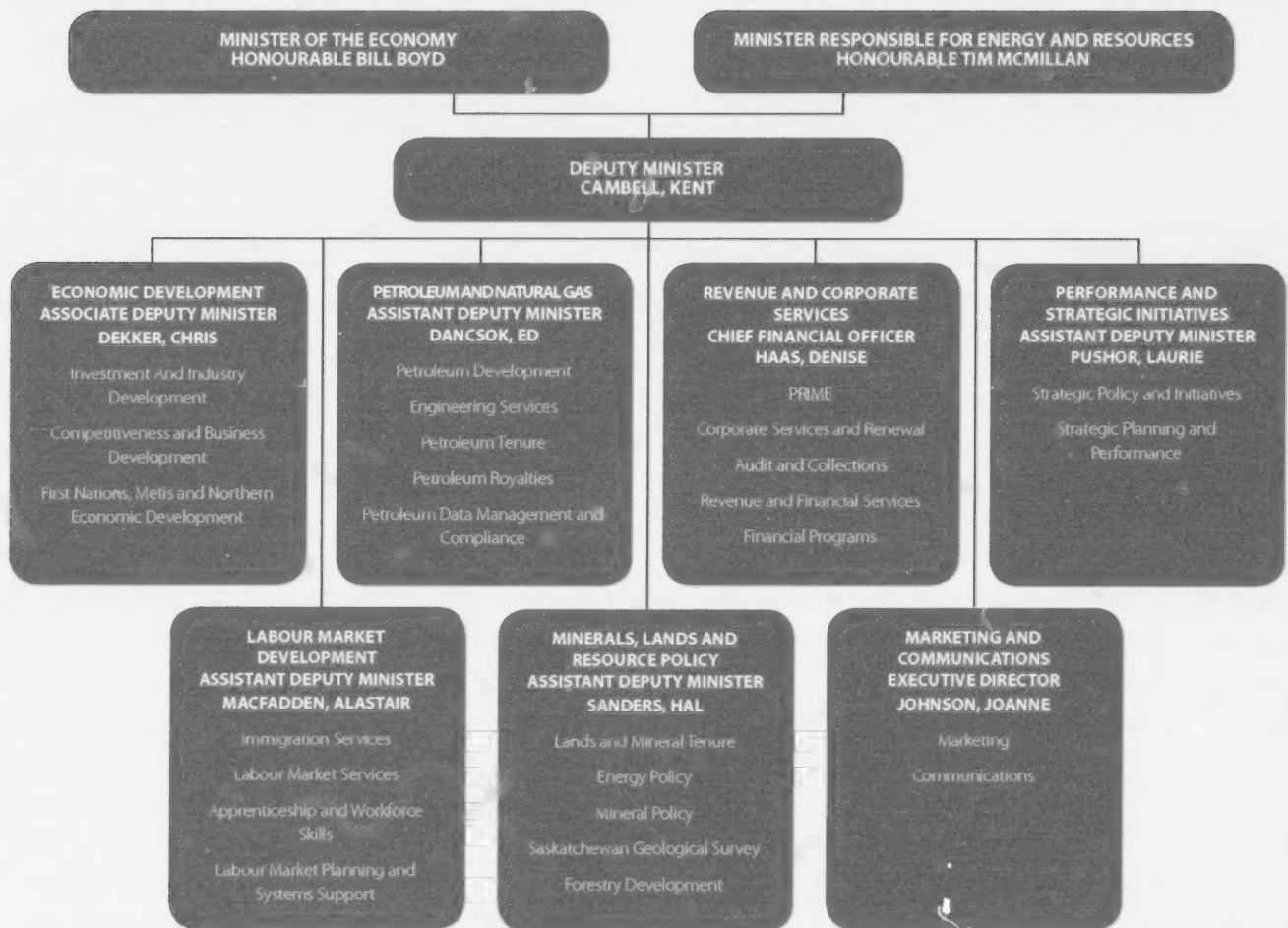
1. Increased oil revenues of \$72.7 million was due to a \$6.20 US/bbl increase in the 2013-14 West Texas Intermediate (WTI) price and a \$0.0395 USD/CAD decrease in the exchange rate and increase in production of 5.5 million barrels.
2. Decreased bonus bid revenue of \$4.670 million is due to lower-than-expected sales primarily due to an industry reallocation of capital towards drilling, for lease continuance and development purposes.
3. Increased natural gas revenues of \$6.855 million are due to a 15.5 bcf increase in production subject to royalty/tax, a \$0.31/GJ increase in projected 2013-14 average field gate price, and a 1.1 percentage point increase in the average royalty/tax percentage related to the 2013-14 production.
4. Decreased potash revenues of \$173.9 million are primarily due to:
  - a. Decreased Potash Crown Royalty due to decreases in domestic price, production and Crown share of production, offset slightly by increases in ore grade.
  - b. Decreased Potash Profit Tax due to decreases in average price and sales, partially offset by decreases in base payment credit and capital spending due to mine expansions and an increase in operating costs.
  - c. Offset by greater land rentals.
5. Revenue for real property sales was \$30.251 million lower than forecasted, primarily due to a decrease in the oil and gas production on Federal Treaty Land Entitlement properties.

## **For More Information**

Ministry of the Economy  
Marketing & Communications  
300 – 2103 11th Avenue  
Regina, SK S4P 3Z8  
Tel: (306) 787-4765  
Fax: (306) 787-8447

# Appendix A

## Internal Organization Chart as of March 31, 2014



Please note the organization chart is reflective of the 2013–14 fiscal year, ending March 31, 2014. Due to a Cabinet reorganization, ministerial responsibilities have changed for the 2014–15 fiscal year.

The Honourable Bill Boyd remains the Minister of the Economy, while the Honourable Jeremy Harrison became Associate Minister of the Economy.

This change is also reflected in the Letters of Transmittal.



# Appendix B

## Legislative Responsibilities

Bold text signifies as responsibility of:

- Minister of the Economy
- Minister Responsible for Energy and Resources
- Minister Responsible for Tourism Saskatchewan

<b>THE APPRENTICESHIP AND TRADE CERTIFICATION ACT, 1999</b>
<i>The Apprenticeship and Trade Certification Commission Regulations</i>
<b>THE CROWN MINERALS ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
<i>The Alkali Mining Regulations</i>
<i>The Batttrum EOR Net Royalty Petroleum and Natural Gas Lease Regulations</i>
<i>The Bayhurst Viking Voluntary Gas Unit Regulations</i>
<i>The Coal Disposition Regulations, 1988</i>
<i>The Crown Minerals Transfer Regulations, 2005</i>
<i>The Crown Mineral Royalty Regulations</i>
<i>The Crown Oil and Gas Royalty Regulations, 2012</i>
<i>The Delayed Payment Charge Regulations, 1970</i>
<i>The Helium and Associated Gases Regulations</i>
<i>The Lease of Spaces Regulations</i>
<i>The Mineral Disposition Regulations, 1986</i>
<i>The Mineral Tenure Registry Regulations</i>
<i>The Mineral Trust Revestiture Regulations</i>
<i>The Oil Shale Regulations, 1964</i>
<i>The Petroleum and Natural Gas Regulations, 1969</i>
<i>The Primrose Lake Air Weapons Range Permit Regulations, 1995</i>
<i>The Quarrying Regulations, 1957</i>
<i>Saskatchewan Regulation 270/69 [General Regulations (Tailings Disposal Area)]</i>
<i>The Subsurface Mineral Regulations, 1960</i>
<i>The Totnes Viking Gas Storage Royalty Regulations</i>
<i>The Weyburn Unit CO<sub>2</sub> Crown Oil Royalty Regulations</i>
<b>THE CULTURE AND RECREATION ACT, 1993</b>
• Jointly assigned to the Minister of the Economy, the Minister of Parks, Culture and Sport, the Minister Responsible for the Provincial Capital Commission and the Minister Responsible for Tourism Saskatchewan
<b>THE DEPARTMENT OF AGRICULTURE, FOOD AND RURAL REVITALIZATION ACT</b>
Only with respect to:
• Sections 7 and 7.1, jointly assigned to the Minister of the Economy and the Minister of Agriculture; and
• Section 9.2
[NO LONGER USED]
<b>THE DEPARTMENT OF RURAL DEVELOPMENT ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister of Government Relations
• Clauses 7(a),(d) and (e) and 9(e) jointly assigned to the Minister of Agriculture, the Minister of Government Relations and the Minister of the Economy
[NO LONGER USED]
<b>THE ECONOMIC AND CO-OPERATIVE DEVELOPMENT ACT</b>
• Clauses 8(a) and (b); 9(1)(d) and (e) jointly assigned to various Ministers
• Except clauses 8(c) and 9(1)(h) and subsection 9(3), assigned to Minister of Central Services
<i>The Northern Economic Development Regulations</i>
<i>The Small Business Loans Association Program Regulations</i>

**THE EDUCATION ACT, 1995**

Only with respect to:

- Subsection 3(1), which is jointly assigned to the Minister of Advanced Education, the Minister of Education and the Minister of the Economy

**THE ENERGY AND MINES ACT*****The Mineral Exploration Incentive Regulations*****THE ENTERPRISE SASKATCHEWAN ACT*****The Enterprise Saskatchewan Regulations*****THE ETHANOL FUEL ACT*****The Ethanol Fuel (General) Regulations*****THE FINANCIAL ADMINISTRATION ACT, 1993**

Only with respect to:

- *The Petroleum Research Incentive Regulations*, which are jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
- Section 24, which is jointly assigned to the Minister of the Economy, the Minister Responsible for Energy and Resources and the Minister of Finance as it relates to *the Petroleum Research Incentive Regulations*

***The Petroleum Research Incentive Regulations*****THE FOREIGN WORKER RECRUITMENT AND IMMIGRATION SERVICES ACT*****The Foreign Worker Recruitment and Immigration Services Regulations*****THE FOREST RESOURCES MANAGEMENT ACT**

Only with respect to:

- Sections 5, 6 and 7, which are jointly assigned to the Minister of the Economy, the Minister Responsible for Energy and Resources and the Minister of Environment

**THE FREEHOLD OIL AND GAS PRODUCTION TAX ACT, 2010**

- Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources

***The Freehold Oil and Gas Production Tax Regulations, 2012******The Recovered Crude Oil Tax Regulations, 2012******The Weyburn Unit CO<sub>2</sub> Freehold Oil Production Tax Regulations*****THE GOVERNMENT ORGANIZATION ACT*****The Employment Program Regulations******The Ethanol Fuel (Grants) Regulations******The Ministry of the Economy Regulations******The Skills Training Benefit Regulations* (also pursuant to *The Human Resources, Labour and Employment Act*)*****The Training Allowance Regulations***

- Jointly assigned to the Minister of Advanced Education and the Minister of the Economy

***The Vocational Rehabilitation of Disabled Persons Program Regulations*****THE GLOBAL TRANSPORTATION HUB AUTHORITY ACT*****The Global Transportation Hub Authority Regulations*****THE HUMAN RESOURCES, LABOUR AND EMPLOYMENT ACT**

Only with respect to:

- Subsection 4(2) and section 4.01

[Minister of the Economy]

***The Skills Training Benefit Regulations* (also pursuant to *The Government Organization Act*)****THE INDIAN AND NATIVE AFFAIRS ACT**

Only with respect to:

- Clause 7(b), which is jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs

**THE INNOVATION SASKATCHEWAN ACT****THE LABOUR-SPONSORED VENTURE CAPITAL CORPORATIONS ACT*****The Labour-sponsored Venture Capital Corporations Regulations*****THE MINERAL RESOURCES ACT, 1985**

- Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources

<b><i>The Mineral Exploration Tax Credit Regulations</i></b>
<b>THE MINERAL TAXATION ACT, 1983</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
<b><i>The Freehold Coal Production Tax Regulations</i></b>
<b><i>The Mineral Rights Tax Regulations, 1998</i></b>
<b><i>The Potash Production Tax Regulations</i></b>
<b><i>The Sodium Chloride Production Tax Regulations</i></b>
<b>THE MULTICULTURALISM ACT</b>
Only with respect to:
• Clauses 4(g) and (h), which are jointly assigned to the Minister of the Economy and the Minister of Parks, Culture and Sport
<b>THE NATURAL RESOURCES ACT</b>
Only with respect to:
• <i>The Commercial Fishing Production Incentive Regulations</i>
• Clauses 4(1)(g) and 23(b) to (d) as those provisions relate to <i>the Commercial Fishing Production Incentive Regulations</i>
<b><i>The Commercial Fishing Production Incentive Regulations</i> [under <i>The Renewable Resources, Recreation and Culture Act</i>]</b>
<b>THE NORTHERN AFFAIRS ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs
<b>THE NORTHERN SASKATCHEWAN ECONOMIC DEVELOPMENT ACT</b>
<b>THE OIL AND GAS CONSERVATION ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
<b><i>The Oil and Gas Conservation Regulations, 2012</i></b>
<b><i>The Petroleum Registry and Electronic Documents Regulations</i></b>
<b>THE PIPELINES ACT, 1998</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
<b><i>The Pipelines Regulations, 2000</i></b>
<b>THE POST-SECONDARY EDUCATION AND SKILLS TRAINING ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister of Advanced Education, except section 5, clauses 15(2)(a), (c), (d), (e), (i) and (j) and section 17, which are jointly assigned to the Minister of the Economy, the Minister of Advanced Education and the Minister of Education
• Except <i>The Training Program Regulations</i> , which are jointly assigned to the Minister of the Economy and the Minister of Education, but with respect to the Minister of Education, only as these regulations relate to the literacy programs
<b><i>The Training Programs Regulations</i></b>
<b>THE RECLAIMED INDUSTRIAL SITES ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
<b><i>The Reclaimed Industrial Sites Regulations</i></b>
<b>THE REGULATORY MODERNIZATION AND ACCOUNTABILITY ACT</b>
<b><i>The Regulatory Modernization and Accountability Regulations</i></b>
<b>THE RENEWABLE DIESEL ACT</b>
<b><i>The Renewable Diesel Regulations</i></b>
<b>THE RESEARCH COUNCIL ACT</b>
<b>THE RURAL DEVELOPMENT ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister of Government Relations
<b>THE SASKATCHEWAN HEALTH RESEARCH FOUNDATION ACT</b>
Only with respect to:
• Sections 5, 6, 7 and 20 as they relate to innovation and research, which are jointly assigned to the Minister of the Economy and the Minister of Health
[Innovation Saskatchewan]
<b>THE SURFACE RIGHTS ACQUISITION AND COMPENSATION ACT</b>
• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources
<b><i>The Surface Rights Acquisition and Compensation Regulations</i></b>
<b>THE TOURISM SASKATCHEWAN ACT</b>
[Minister Responsible for Tourism Saskatchewan]

# Appendix C

## Ministry of the Economy Offices

Building Name	Address	Town/City	Office Title
Kuziak Provincial Office Building	72 Smith Street E	Yorkton	Ministry of the Economy
Provincial Office Building	1302 3 <sup>rd</sup> Street	Estevan	Ministry of the Economy
Geological Core Laboratory	201 Dewdney Avenue E	Regina	Ministry of the Economy
El Wood Building	350 Cheadle Street W	Swift Current	Ministry of the Economy
Wellbelove Building POB	113 2 <sup>nd</sup> Avenue E	Kindersley	Ministry of the Economy
Investors Building	4102 70 <sup>th</sup> Avenue	Lloydminster	Ministry of the Economy
Affinity Building	2101 Scarth Street	Regina	Ministry of the Economy
Regina Inn Mall (CanSask Centre)	1911 Broad Street	Regina	Ministry of the Economy
CanSask Centre	225 1 <sup>st</sup> Avenue N	Saskatoon	Ministry of the Economy
Carlton Train Regional College	623 7 <sup>th</sup> Street	Humboldt	Ministry of the Economy
Vecima Centre (former post office)	202 4th Avenue N	Saskatoon	Ministry of the Economy
Duchuck	219 Robin Cres	Saskatoon	Ministry of the Economy
Enterprise Centre	345 3rd Avenue S	Saskatoon	Ministry of the Economy
Grenfell Tower	1945 Hamilton Street	Regina	Ministry of the Economy
McNevin Building	210 1st Street East	Nipawin	Ministry of the Economy
Cumberland Regional College	400 Burns Avenue E	Melfort	Ministry of the Economy
McGinn Building	210 1st Street E	Nipawin	Ministry of the Economy
Territorial Mall	9800 Territorial Drive	North Battleford	Ministry of the Economy
Saskatchewan Forest Centre	1061 Central Avenue	Prince Albert	Ministry of the Economy
School and Hospital	Lajeunesse Avenue	Ile-à-la-Crosse	Ministry of the Economy
McMillen Building	1321 Pederson Avenue	Buffalo Narrows	Ministry of the Economy
Clearwater Ventures Building	204 1st Street E	Meadow Lake	Ministry of the Economy
J Auburn Pepper Building	110 Souris Avenue	Weyburn	Ministry of the Economy
Palliser Building	2151 Scarth Street	Regina	Ministry of the Economy
Bank of Montreal Building	2103 11th Avenue	Regina	Ministry of the Economy
Rural Service Centre	125 1st Avenue E	Kindersley	Ministry of the Economy
Government of Canada Building	1288 Central Avenue	Prince Albert	Ministry of the Economy
Federal Building (CanSask Centre)	61 Ross Street W	Moose Jaw	Ministry of the Economy
Mistasinih Place	1328 La Ronge Avenue	La Ronge	Ministry of the Economy
Geological Laboratory	1310 La Ronge Avenue	La Ronge	Ministry of the Economy
Provincial Office Building	4815 50th Street	Lloydminster	Ministry of the Economy





**Enterprise Saskatchewan  
Financial Statements  
For the 13 Month Period Ended  
April 30, 2014**

Enterprise Saskatchewan  
REPORT OF MANAGEMENT  
FOR THE 13 MONTH PERIOD ENDED  
APRIL 30, 2014

The accompanying financial statements are the responsibility of the management of Enterprise Saskatchewan and the Ministry of the Economy. They have been prepared in accordance with Canadian Public Sector Accounting principles using management's best estimates and judgements, where appropriate. Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Office of the Provincial Auditor has audited the Agency's financial statements in accordance with generally accepted auditing standards and its report follows.



Kent Campbell  
Chief Executive Officer  
July 16, 2014



Denise Haas, CMA  
Chief Financial Officer  
July 16, 2014



## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Enterprise Saskatchewan, which comprise the statement of financial position as at April 30, 2014, and the statement of operations and accumulated surplus, change in net financial assets, and cash flows for the thirteen month period then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Enterprise Saskatchewan as at April 30, 2014, and the results of its operations, changes in net financial assets, and its cash flows for the thirteen month period then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson, FCA  
Acting Provincial Auditor

Regina, Saskatchewan  
July 16, 2014



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## Statement 1

### Enterprise Saskatchewan Statement of Financial Position as at

	(thousands of dollars)	
	<u>April 30, 2014</u>	<u>March 31, 2013</u>
<b>Financial Assets</b>		
Due from General Revenue Fund (Note 3)	\$ -	\$ 8,842
Accounts Receivable	-	24
	<u>-</u>	<u>8,866</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	-	1,382
	<u>-</u>	<u>7,484</u>
<b>Net Financial Assets (Statement 3)</b>		
	<u>-</u>	<u>7,484</u>
<b>Non-financial Assets</b>		
Tangible Capital Assets (Note 10)	-	246
Prepaid Expenses	-	-
	<u>-</u>	<u>246</u>
<b>Accumulated Surplus (Statement 2)</b>	<u>\$ -</u>	<u>\$7,730</u>

(See accompanying notes to the financial statements)

## Statement 2

### Enterprise Saskatchewan

### Statement of Operations and Accumulated Surplus

	(thousands of dollars)		
	Annual Budget 2014	Actual for 13-month period ended April 30, 2014	Actual for year ended March 31, 2013
<b>Revenue</b>			
Grants from the General Revenue Fund	\$ -	\$ -	\$ 16,046
Other (Note 11)	-	93	544
	-	93	16,590
<b>Expenses (Note 7)</b>			
Administration	-	204	3,857
Regional Enterprise	-	167	632
Marketing and Communications	-	534	935
Competitiveness and Strategy	-	462	614
Sector Development	-	1,778	1,975
Investment Programs	-	3,406	11,330
	-	6,551	19,343
<b>Annual (Deficit)</b>	\$ -	\$ (6,458)	\$ (2,753)
<b>Accumulated Surplus, Beginning of Year</b>	-	7,730	14,283
<b>Transfer to the General Revenue Fund (Note 5)</b>	-	(1,272)	(3,800)
<b>Accumulated Surplus, End of Year (Statement 1)</b>	\$ -	\$ -	\$ 7,730

(See accompanying notes to the financial statements)

### Statement 3

#### Enterprise Saskatchewan Statement of Change in Net Financial Assets

(thousands of dollars)

	<b>For 13-month period ended April 30, 2014</b>	<b>For year ended March 31, 2013</b>
<b>Annual (Deficit)</b>	\$ (6,458)	\$ (2,753)
Acquisition of Tangible Capital Assets	(165)	(18)
Disposal of Tangible Capital Assets	398	-
Amortization of Tangible Capital Assets	13	160
Decrease in Prepaid Expenses	-	21
<b>(Decrease) in Financial Assets</b>	\$ (6,212)	\$ (2,590)
<b>Net Financial Assets, at Beginning of Year</b>	7,484	13,874
<b>Transfer to the General Revenue Fund (Note 5)</b>	(1,272)	(3,800)
<b>Net Financial Assets, at End of Year (Statement 1)</b>	\$ -	\$ 7,484

(See accompanying notes to the financial statements)

## Statement 4

### Enterprise Saskatchewan Statement of Cash Flows

(thousands of dollars)

	<b>For 13-month period ended April 30, 2014</b>	<b>For year ended March 31, 2013</b>
<b>Cash (Used in) Provided by Operating Activities</b>		
Cash Receipts from General Revenue Fund	\$ -	\$ 16,046
Cash Receipts from Other Operating Activity	93	544
Cash Paid to Suppliers and Employees	(7,498)	(22,271)
Cash (Used in) Provided by Operating Activities	<u>\$ (7,405)</u>	<u>\$ (5,681)</u>
<b>Cash Used in Capital Activities</b>		
Acquisition of Tangible Capital Assets	(165)	(18)
<b>Cash Used in Financing Activities</b>		
Transfer to the General Revenue Fund (Note 5)	<u>(1,272)</u>	<u>(3,800)</u>
<b>(Decrease) in Cash Equivalents</b>	(8,842)	(9,499)
<b>Due from General Revenue Fund, Beginning of Year</b>	8,842	18,341
<b>Due from General Revenue Fund, End of Year</b>	<u>\$ -</u>	<u>\$ 8,842</u>

(See accompanying notes to the financial statements)

**Enterprise Saskatchewan  
Notes to the Financial Statements  
for the 13 month Period Ended April 30, 2014**

**1. Status of Enterprise Saskatchewan**

Enterprise Saskatchewan was established under the provisions of *The Enterprise Saskatchewan Act* (Act) proclaimed on July 29, 2008.

Enterprise Saskatchewan was created to further the economic goals of the Government of Saskatchewan. Enterprise Saskatchewan is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

As a result of the reorganization of the provincial government in May 2012, the responsibility of developing and implementing Saskatchewan's long-term growth strategy now resides within the Ministry of the Economy. Base funding was transferred to the Ministry of the Economy for ongoing operations while the equity funding for ongoing long term programs remained until those programs wind-down. Administration costs beginning August 1, 2012 were paid by the Ministry of the Economy. All remaining Enterprise Saskatchewan employees were transferred to the Ministry of the Economy.

Operations for Enterprise Saskatchewan wound down April 30, 2014 and all remaining funding transferred to the General Revenue Fund. Tangible capital assets were disposed by transfer to the Ministry of the Economy. It is anticipated that the Act will be repealed in the fall of 2014.

**2. Significant Accounting Policies**

These financial statements are prepared using Canadian Public Sector Accounting Standards appropriate for the public sector and reflect the following significant accounting principles:

a) Revenue

Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue.

b) Expenses

Expenses represent the cost of resources consumed during the year for operations and grants made to third-party organizations. Grants are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

c) Non-financial Assets

Non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge existing liabilities unless they are sold.

d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and

the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

#### e) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life once they are in service. Amortization is recorded on a straight line basis as follows:

Leasehold and Occupancy Improvements	lesser of useful life or lease term
Vehicles	5 years
Computer Software	3 years/life of warranty
Computer Hardware	5 years
Computer System Development	5 years
Non-Electronic Office Equipment	5 years
Electronic Office Equipment	3 years
Communication System Development	3 years

### 3. Due from the General Revenue Fund

Enterprise Saskatchewan's bank account was included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. No interest was paid on Enterprise Saskatchewan's average daily account balance.

### 4. Budget Approval

Enterprise Saskatchewan's received no budget funding in 2013-14 as identified on Statement 2. Enterprise Saskatchewan drew down on surplus amounts carried forward from previous years to wind down operations.

On June 27, 2012, the ES Board approved the appointment of Mr. Kent Campbell as ES Acting Chief Executive Officer and the transfer of ES staff and operations to the Ministry of the Economy, which was made effective August 1, 2012.

### 5. Related Parties

These financial statements include routine transactions with related parties. Enterprise Saskatchewan was related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

The Ministry of Central Services provided accommodation and property management, transportation services, purchasing, risk management, records management, telecommunications and mail distribution to Enterprise Saskatchewan without charge. The Public Service Commission provides Enterprise Saskatchewan with human resource administration and payroll services without charge.

Since November 1, 2008, Enterprise Saskatchewan provided the Minister of Enterprise with ongoing administration of the Small Business Loans Association program, Ethanol Fuel (grant) program, and the Labour-sponsored Venture Capital Corporations program without charge. Administration of the Renewable Diesel Program was added April 1, 2011. Effective August 1, 2012 administrations of these programs were transferred to the Ministry of the Economy.



Related party transactions to April 30 include the following:

Related Parties

	(thousands of dollars)	
	<u>2014</u>	<u>2013</u>
Accounts Receivable	\$ -	\$ 2
Accounts Payable and Accrued Liabilities	-	75
Other Revenue	-	239
Expenses	3,394	3,380

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transactions with related parties were recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, Enterprise Saskatchewan paid Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

During the year, Enterprise Saskatchewan transferred \$1.272 million (M) (2012-13 - \$3.800M) of surplus cash to the General Revenue Fund.

## 6. Financial Instruments

Enterprise Saskatchewan's financial instruments included: Due from the General Revenue Fund, Accounts Receivable, Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments had no material interest or credit risk.

## 7. Expense by Object

	(thousands of dollars)	
	<u>April 30, 2014</u>	<u>March 31, 2013</u>
<b>Expenses</b>		
Goods and Services	\$ 1,070	\$ 3,244
Grants and Transfers	5,065	11,847
Disposal/Retirements of Capital Assets	398	-
Salaries and Benefits	4	3,904
Amortization	13	160
Travel	1	188
	<u>\$6,551</u>	<u>\$19,343</u>

## 8. Contractual Obligations

Enterprise Saskatchewan has no contractual obligations as of April 30, 2014.

## 9. Designated Assets (thousands of dollars)

Enterprise Saskatchewan has no designated assets as of April 30, 2014.

## 10. Tangible Capital Assets

				(thousands of dollars)	
	Database Development	Communication System Development	Leasehold Improvements	2013-14 Totals	2012-13 Totals
Opening Cost	\$ 193	\$ 359	\$ 119	\$ 671	\$ 653
Additions during the year	165	-	-	165	18
Disposals/retirements	(358)	(359)	(119)	(836)	-
Closing Cost	-	-	-	-	671
Opening Accumulated Amortization	-	359	66	425	265
Amortization for the Year	-	-	13	13	160
Disposals/retirements	-	(359)	(79)	(438)	-
Closing Accumulated Amortization	-	-	-	-	425
Net Book Value of Tangible Capital Assets	\$ -	\$ -	-	\$ -	\$ 246

## 11. Other Revenue

Revenues include refunds of prior year expenses of \$93 thousand in 2013-14 (2012-13 - \$417 thousand).

## 12. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

